

FIRST SOUTH BANCORP, INC.

	CPP Disbursement Date 07/17/2009	RSSD (Holding Company) 1132104	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2009 \$ millions	2010 \$ millions	%chg from prev		
Assets	\$2,277	\$2,069	-9.2%		
Loans	\$1,557	\$1,367	-12.2%		
Construction & development	\$201	\$154	-23.5%		
Closed-end 1-4 family residential	\$287	\$264	-7.8%		
Home equity	\$193	\$181	-6.6%		
Credit card	\$0	\$0	0.0%		
Other consumer	\$47	\$42	-9.8%		
Commercial & Industrial	\$257	\$222	-13.5%		
Commercial real estate	\$453	\$396	-12.7%		
Unused commitments	\$271	\$214	-20.8%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$325	\$265	-18.6%		
Asset-backed securities	\$0	\$0			
Other securities	\$79	\$77	-3.3%		
Cash & balances due	\$158	\$99	-37.0%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$20	\$41	104.6%		
Open-end HELOC originated for sale (quarter)	\$0	\$0			
Closed-end mortgage originations sold (quarter)	\$21	\$45	118.0%		
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$2,061	\$1,843	-10.5%		
Deposits	\$1,944	\$1,752	-9.9%		
Total other borrowings	\$97	\$73	-24.6%		
FHLB advances	\$52	\$40	-23.3%		
Equity					
Equity capital at quarter end	\$217	\$225	4.1%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$25	\$18	NA		
Performance Ratios					
Tier 1 leverage ratio	6.9%	8.1%	--		
Tier 1 risk based capital ratio	9.5%	11.9%	--		
Total risk based capital ratio	11.1%	13.6%	--		
Return on equity ¹	-30.7%	9.8%	--		
Return on assets ¹	-3.1%	1.1%	--		
Net interest margin ¹	3.3%	4.0%	--		
Coverage ratio {(ALLL+Alloc transfer risk)/Noncurrent loans}}	67.4%	51.4%	--		
Loss provision to net charge-offs (qtr)	218.2%	39.4%	--		
Net charge-offs to average loans and leases ¹	3.0%	3.6%	--		
¹ Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2009	2010	2009	2010	
Construction & development	14.1%	22.8%	2.5%	3.7%	--
Closed-end 1-4 family residential	3.0%	3.0%	0.3%	0.6%	--
Home equity	1.7%	1.4%	0.4%	0.6%	--
Credit card	0.0%	0.0%	0.0%	0.0%	--
Other consumer	0.5%	1.3%	0.1%	0.3%	--
Commercial & Industrial	2.7%	6.1%	0.8%	1.2%	--
Commercial real estate	1.8%	4.2%	0.6%	0.3%	--
Total loans	3.6%	6.4%	0.8%	0.9%	--